



State Board of Equalization

# News Release

**Michelle Steel, Member**

**3<sup>rd</sup> District – Rolling Hills Estates**

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**For Immediate Release  
September 30, 2009**

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## **Michelle Steel Announces California Gasoline Demand Rose for Month and Quarter** *First Quarterly Increase in Three Years*

Michelle Steel, Third District Member of the State Board of Equalization (BOE), today released gasoline consumption figures for June and total figures for the second quarter of 2009. This is the first quarterly increase in more than three years, since the first quarter of 2006.

In June 2009, gasoline demand rose 1.6 percent when Californians used 1.234 billion gallons of gasoline compared to 1.215 billion gallons the same month last year. The average California gasoline price at the pump in June was \$2.97 per gallon compared to \$4.53 in June 2008, a 34.4 percent decrease from a record high price.

In the second quarter of 2009, gasoline consumption increased 0.45 percent when Californians used 3.773 billion gallons of gasoline compared to 3.756 billion gallons the second quarter last year.

Gasoline sold in June generated approximately \$301 million in sales tax during that month, an estimated \$104 million less than generated last year. June sales tax revenues from gasoline would have been about \$34 million less had not the state portion of the sales and use tax rate increased from 5 percent to 6 percent on April 1, 2009.

The attached chart shows year-over-year quarterly gasoline consumption comparisons for the last 14 consecutive quarters from 2006 through the second quarter of 2009.

Diesel fuel sold in California during June totaled 223.6 million gallons compared to June's last year total of 260.4 million gallons, which is a decline of 14.2 percent. California diesel prices were \$2.70 per gallon in June 2009 down 45.7 percent compared to June 2008 when the average diesel price was \$4.97 per gallon.

While the diesel gallons reflected in the June numbers are down 36.9 million gallons, indicating a decline of 14.2 percent, the reduction in consumption is likely to be less. The actual decline may be closer to 18.5 million gallons, a decline of 7.1 percent, because the June 2009 figures include refunded gallons of 18.4 million gallons. The gallons included in the monthly consumption numbers are always net of audit assessments and refunds, but the June 2009 refunds were greater than most and may have skewed the actual amount of decline.

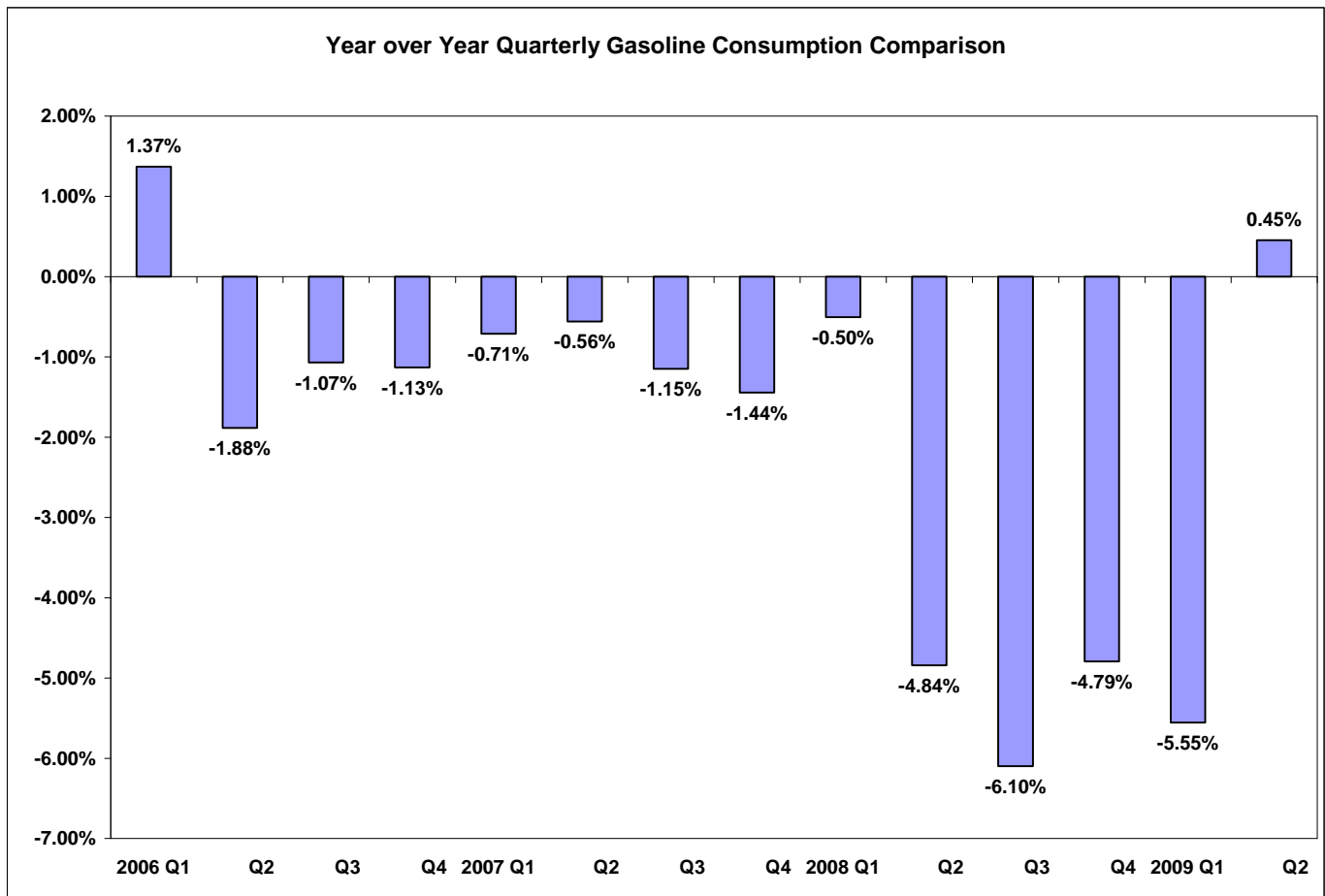
Diesel consumption in California declined 8.8 percent in the second quarter of 2009 when Californians used a total of 653 million gallons of diesel compared to the second quarter of 2008 total of 716 million gallons. Diesel consumption generally follows economic activity and is especially closely related to

construction and transportation of goods. These sectors were particularly hard hit during the recession, and have yet to start to increase.

The BOE is able to monitor gallons through tax receipts paid by fuel distributors. Figures for July 2009 are scheduled to be available at the end of October 2009. All monthly, quarterly, and annual figures can be viewed at: [www.boe.ca.gov/sptaxprog/spftrpts.htm](http://www.boe.ca.gov/sptaxprog/spftrpts.htm).

Taxable Gasoline Gallons: [www.boe.ca.gov/sptaxprog/reports/MVF\\_10\\_Year\\_Report.pdf](http://www.boe.ca.gov/sptaxprog/reports/MVF_10_Year_Report.pdf)

Taxable Diesel Gallons: [www.boe.ca.gov/sptaxprog/reports/Diesel\\_10\\_Year\\_Report.pdf](http://www.boe.ca.gov/sptaxprog/reports/Diesel_10_Year_Report.pdf)



Elected to the Board of Equalization in 2006, Michelle Steel serves as Southern California's elected taxpayer advocate. In 2008, Steel uncovered a \$42 million mistake in the agency's sales tax refund procedures. Following her investigation, the tax agency refunded tax security deposits to over 5,500 small businesses.

The five-member California State Board of Equalization (BOE) is a publicly elected tax board. The BOE collects more than \$53 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit [www.taxes.ca.gov](http://www.taxes.ca.gov).

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